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Docket Control Arizona Corporation Commission 1200 West Washington Phoenix, Arizona 85007

E-00000A-02-0051 E-01345A-01-0822 E-00000A-01-0630

E-01933A-02-0069

RE:

ARIZONA PUBLIC SERVICE COMPANY'S SUMMARY OF DIRECT TESTIMONY OF CARY DEISE RESTRUCTURING DOCKET NO. E-00000A-02-0051 ET AL.

To Whom It May Concern:

Pursuant to the Procedural Order dated June 18, 2003 in the above referenced docket, attached is a Summary of the Direct Testimony of Cary Deise filed with the Commission on July 28, 2003.

If you or your staff have any questions, please feel free to call me.

Sincerely,

Jana Van Ness Manager

Regulatory Compliance

Attachment

JVN/vld

Cc:

Docket Control (Original, plus 21 copies)

and Van Mess

Ms. Teena Wolfe, ALJ

Commissioners

Commissioner's Aides

Service List

Arizona Corporation Commission

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Summary of Cary Deise Direct Testimony

APS has complied with its obligation under the 1999 APS Settlement Agreement to actively support the AISA. APS has incorporated the AISA protocols to support direct access into it's Federal Energy Regulatory Commission ("FERC") approved Open Access Transmission Tariff ("OATT"). Thus, in large part, at least one key goal of the AISA already has been accomplished. A second goal, informal dispute resolution between transmission-owning incumbent utilities and competitive retail electric service providers, has proven as of yet unnecessary. Other goals underlying the formation of the AISA will be met when a Regional Transmission Organization ("RTO") is implemented.

APS does not oppose Staff's recommendation in the Staff's Report. The Commission has directed Staff to review the Retail Electric Competition Rules in a rulemaking proceeding, which could include a review of the role of the AISA. Under that Staff Recommendation, a downsized AISA would continue while the review is undertaken.